

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

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USIA-15 AID-20 EB-11 COME-00 INT-08 SCEM-02 SCI-06

AGR-20 OMB-01 TRSE-00 DRC-01 /167 W

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E.O. 11652: N/A

TAGS: ENRG VE

SUBJECT: PETROLEUM AND ECONOMIC MATTERS IN PEREZ SECOND
PRESS CONFERENCE.

1. IN HIS SECOND PRESS CONFERENCE AS PRESIDENT ELECT, CARLOS ANDRES PEREZ ON DECEMBER 12 AGAIN TOUCHED UPON SOME IMPORTANT THEMES IN PETROLEUM POLICY. EMERGING FROM HIS STATEMENTS ARE CONSIDERABLE DIFFERENCES IN APPROACH WITH RESPECT TO PETROLEUM RELATIONS WITH OTHER DEVELOPING COUNTRIES, ROLE OF PRIVATE ENTERPRISE AND OIL DEVELOPMENTS IN VENEZUELA, AND MUCH GREATER EMPHASIS ON NEEDS OF THE POOR AND ON CRUCIAL IMPORTANCE ON AGRICULTURAL DEVELOPMENT.

2. REGARDING PETROLEUM RELATIONS WITH OTHER DEVELOPING COUNTRIES, PEREZ SAID VENEZUELA MUST CREATE A MECHANISM THAT WILL FAVOR COUNTRIES THAT LACK ABILITY TO PAY FOR OIL AT PRICES THAT WILL HAVE TO BE PAID BY DEVELOPED COUNTRIES. THIS REPRESENTS CONSIDERABLE CHANGE FROM COPEI POLICY WHICH HAS STRONGLY RESISTED PRESSURES FROM POORER LATIN AMERICAN NATIONS FOR PREFERENTIAL OIL PRICES. PEREZ SAID THAT PROBLEMS OF SMALL COUNTRIES

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CAN ALSO BE OVERCOME THROUGH REGIONAL ECONOMIC INTE-

GRATION. THIS, HE SAID, IS ONLY MEANS TO ASSURE DEVELOPMENT OF SMALL COUNTRIES SINCE NEITHER VENEZUELA NOR ANY OTHER COUNTRY IS GOING TO BE ABLE TO FULFILL ROLE OF "KINDLY FATHER WHO GIVES GIFTS TO OTHER COUNTRIES." LINKING THESE TWO IDEAS, PEREZ SAID OIL WILL BECOME AN INSTRUMENT OF LATIN AMERICAN INTEGRATION, WHICH IS, HE SAID, AN EXAMPLE OF HIS CONCEPTION THAT VENEZUELA INTERNATIONAL POLICY WILL BE DIRECTED TOWARD ECONOMIC OBJECTIVES.

3. REGARDING ROLE OF PRIVATE ENTERPRISE, PEREZ SAID THAT MULTINATIONAL ENTERPRISES HAVE DONE GOOD THINGS AND BAD IN LATIN AMERICA AND THAT WHAT IS IMPORTANT IS THAT NEW RELATIONSHIP WILL HAVE TO BE CREATED BETWEEN MULTI-NATIONAL ENTERPRISES AND DEVELOPING COUNTRIES. THE FORMER WILL OBTAIN THEIR PROFITS AND RETURNS THAT THEY MERIT BUT NOT AT COST OF DE-CAPITALIZING OR OF HARMING BASIC INTERESTS OF COUNTRIES IN WHICH THEY ARE LOCATED. HOWEVER, PEREZ SAID THAT THE BALANCE BETWEEN LARGE COUNTRIES AND SMALL AND THUS BETWEEN HOST COUNTRIES AND MULTINATIONAL ENTERPRISES IS CHANGING AS OIL BECOMES REIGNING RESOURCE OF WORLD, REPLACING GOLD. OIL, HE SAID, WILL ENABLE COUNTRIES THAT POSSESS IT TO ACHIEVE THEIR RIGHTFUL PLACE IN WORLD, TO GAIN MORE JUST PARTICIPATION IN INTERNATIONAL MARKETS AND TO GAIN ACCESS TO FOREIGN TECHNOLOGY. IN CALLING PETROLEUM A "WEAPON," HOWEVER, PEREZ SAID THAT HE DID NOT WANT IN ANY WAY TO GIVE IMPRESSION THAT PETROLEUM WAS GOING TO BRING WAR TO ANYONE BECAUSE WHAT OIL MUST BRING IS WELFARE FOR EVERYONE. HE SAID THEN HE WOULD CALL OIL AN "INSTRUMENT" AND NOT A WEAPON.

4. PEREZ SHOWED ONCE AGAIN HIS CONCERN FOR THE POOR WHEN ASKED ABOUT POSSIBILITY OF VIOLENCE IN VENEZUELA DURING HIS ADMINISTRATION. HE SAID THAT POLITICAL VIOLENCE HAS BEEN LEFT BEHIND AND THAT VENEZUELA IS MENACED BY ANOTHER KIND OF VIOLENCE, BY "VIOLENCE OF HUNGER, BY THE MOST TERRIBLE VIOLENCE--THE VIOLENCE OF MISERY, AND IT IS THAT VIOLENCE THAT I AM GOING TO ATTACK AT ITS FOUNDATION."

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5. REGARDING AGRICULTURE, PEREZ SAID THAT AGRICULTURE IS GOING TO BE TRUE MOTOR OF DEVELOPMENT. HE PROMISED TO PROVIDE ALL TECHNICAL MATERIAL AND FINANCIAL RESOURCES REQUIRED FOR FULL SCALE AGRICULTURAL DEVELOPMENT AND TO REFORM AND MAKE MORE EFFECTIVE ALL OF THE INSTITUTIONS DEALING WITH RURAL STRUCTURE.

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